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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: :
: **Chapter 11**
Residential Capital, LLC, et al., :
: **Case No. 12-12020 (MG)**
Debtors. :
: **Jointly Administered**
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**DECLARATION OF ROBERT L. SCHUG IN SUPPORT OF MOTION OF DEBORAH
BOLLINGER AND BRYAN BUBNICK FOR RELIEF FROM AUTOMATIC STAY AS
TO GMAC MORTGAGE, LLC AND RESIDENTIAL CAPITAL, LLC**

I, Robert L. Schug, declare as follows:

1. I am an attorney at Nichols Kaster, LLP, in San Francisco, California. I am competent to testify about the matters set forth herein.
2. I am counsel of record for Plaintiffs Deborah Bollinger and Bryan Bubnick, as well as the 89 other opt-in Plaintiffs, in the matter captioned *Bollinger et al. v. Residential Capital, LLC, et al.*, Civ No. 2:10-01123 (RSM), currently pending in the United States District Court for the Western District of Washington. I make this declaration in support of Plaintiffs' motion for relief from the automatic stay pursuant to 11 U.S.C. § 362.

3. Plaintiffs' action was filed on July 9, 2010. The operative First Amended Class and Collective Action Complaint is attached hereto as **Exhibit A**. The Defendants in the action are Residential Capital, LLC, Ally Financial, Inc., and GMAC Mortgage, LLC.

4. On August 17, 2010, Defendants filed a motion to dismiss the Complaint in its entirety. On November 5, 2010, Plaintiffs filed a motion for conditional certification and judicial notice pursuant to the Fair Labor Standards Act, 29 U.S.C. § 216(b).

5. On January 5, 2011, the district court denied Defendants' motion to dismiss, and granted Plaintiffs' motion for conditional class certification.¹ Notice of the lawsuit was sent to the members of the putative FLSA collective. Approximately 91 mortgage underwriters have now joined the case.

6. On June 21, 2011, after the close of the FLSA opt-in period, the parties submitted a Joint Status Report and Discovery Plan. On August 16, 2011, the district court issued an Order Setting Trial Date & Related Dates. The scheduling order is attached hereto as **Exhibit B**. Discovery is to be completed by July 16, 2012. Trial is set for January 21, 2013.

7. The parties engaged in fairly extensive discovery during the summer and fall of 2011. The parties have exchanged documents, and both sides have taken multiple depositions. Plaintiffs have taken the Rule 30(b)(6) deposition of Defendants through multiple witnesses, and have also deposed two non-party witnesses. Defendants have taken the depositions of the named Plaintiffs, as well as three opt-in Plaintiffs.

8. On January 13, 2012, Plaintiffs filed a motion for summary judgment. Plaintiffs requested that the court grant summary judgment in Plaintiffs' favor on Defendants' two primary defenses to liability for unpaid overtime: (1) the administrative exemption defense; and (2)

¹ Defendants also filed a motion to strike certain Plaintiff consent forms filed pursuant to 29 U.S.C. § 216(b). That motion was also denied.

Defendants' good faith reliance defense under 29 U.S.C. § 259. On February 17, 2012, Defendants filed a cross-motion for summary judgment on their good faith reliance defense, as well as the issues of willfulness and liquidated damages under the Fair Labor Standard Act.

9. On May 30, 2012, the Court granted Plaintiffs' motion for summary judgment in full, and denied Defendants' motion for summary judgment in full. The summary judgment order is attached hereto as **Exhibit C**.

10. On June 1, 2012, Residential Capital, LLC and GMAC Mortgage, LLC filed a Notice of Bankruptcy and Effect of Automatic Stay.

I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing statements are true and correct.

Executed on July 3, 2012 in San Francisco, California.

/s/ Robert L. Schug
ROBERT L. SCHUG